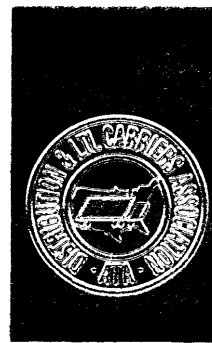


Distribution & LTL Carriers Association

211 North Union Street, Suite 102, Alexandria, Virginia 22314
(703) 739-3101 Fax (703) 739-3105



ORIGINAL

A. D. Gearner, Jr.
President

Kevin M. Williams
Chief Executive Officer

53981
April 20, 1999

Docket Clerk
Department of Transportation
400 Seventh Street, SW
PL 401
Washington, DC 20590

David Mednick
K-2
Bureau of Transportation Statistics
400 Seventh Street, SW
Washington, DC 20590

DEPT. OF TRANSPORTATION
99 APR 20 AM 11:20

SUBJECT: *BTS Docket No. 98-4659, ³⁶Revision of Motor Carrier Reporting Requirements*

By this letter, these associations are requesting that BTS clarify its final rules on financial reporting by motor carriers of property. Specifically, the final rules should indicate that motor carriers, which derive 100 percent of their revenue from contract carriage, need not file any reports with BTS, and that only Class I motor common carriers of property or household goods (and Class II Instruction 27 carriers) must file quarterly reports. In addition, we believe BTS should indicate what the current revenue thresholds are for Class I, II and III carriers, after being increased by the inflation factor.

The *American Trucking Association*, *Truckload Carriers Association* and *Distribution & LTL Carriers Association* collectively represent most of the for-hire interstate carriers that are subject to these reporting requirements. We participated in this rulemaking to reduce this reporting burden, consistent with the statutory requirements.

The existing rules are now found in part 1420 of 49 CFR, and provide that quarterly reports are to be filed by Class I carriers which are common carriers. Unlike the annual reports, the quarterly reporting requirement does not apply to contract carriers or dual authority carriers. Although Congress eliminated, in the definition section of the ICC Termination Act of 1995, the distinction between motor common and motor contract carriers, it did not intend to extend reporting to carriers that carry more than 75 percent of their freight by contract. See, H.R. No. 104-311, Pub.L 104-88; 1995 U.S. Code of Cong. & Admin News at 83 1. Consequently, it is important for BTS to clarify that Class I motor carriers of property must file quarterly reports only if they derive more than 25 percent of their revenue from common carriage.

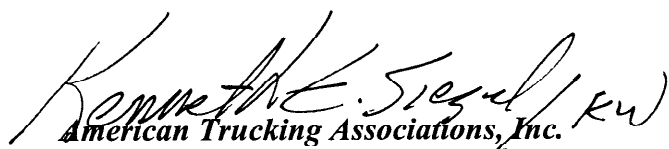
Also, the prior ICC rules provided that, "Class I contract motor carriers that derive 100 percent of their operating revenue from contract carriage shall be exempt from reporting" entirely. (See attached ICC decision dated April 1, 1987). This ruling continues under the ICC Termination Act of 1995. Consequently, BTS should explain this exception in its final rules.

Finally, the revenue figures for Class I, Class II and Class III carriers were last adjusted, to the best of our knowledge, in 1994. They are to be adjusted annually to ensure a motor carrier is not made subject to reporting due to inflation alone. We recommend that BTS state what the adjusted revenue classification figures are for 1999 and each of the subsequent years. This adjusted figure should be published in the Federal Register annually along with the index number (deflator) which is used to adjust the gross annual operating revenues. We calculate the adjusted classifications to be as follow:

Class I is \$10.5 million and higher;
Class II is \$3.1 million to \$10.5 million; and
Class III is below \$3.1 million.

We request that BTS publish in the Federal Register these clarifications as soon as possible and certainly before the May 31st deadline for submission of the 1998 annual reports and first quarter 1999 reports.

Respectively submitted,


American Trucking Associations, Inc.

By: Kenneth E. Siegel, Esq.
Deputy General Counsel
2200 Mill Road
Alexandria, VA 223 14
(703) 838-1857


Distribution & LTL Carriers Association

By: Kevin M. Williams, Esq.
Chief Executive Officer
211 North Union Street, Suite 102
Alexandria, VA 223 14
(703) 739-3101


Truckload Carriers Association

By: Robert G. Rothstein, Esq.
General Counsel
2200 Mill Road
Alexandria, VA 223 14
(703) 838-1950

Citation Search Result Rank(R) 11 of 26 Database
52 FR 10382-02 FR
1987 WL 129434 (F.R.)
(Cite as: 52 FR 10382)

RULES and REGULATIONS

INTERSTATE COMMERCE COMMISSION

49 CFR Parts 1207 and 1249

[No. 38934]

Elimination of Accounting and Reporting Requirements for Motor Carriers of Property

Wednesday, April 1, 1987

***10382** AGENCY: Interstate Commerce Commission.ACTION: **Final** rules.

SUMMARY: Subsequent to Notice of Proposed Rulemaking (33 FR 7201, February 21, 1985) and comment, the Commission has decided to adopt new accounting and reporting regulations for motor carriers of property. The Uniform System of Accounts (49 CFR Part 1207) will remain in the Code of Federal Regulations for reference purposes but no longer will be prescribed as the basis for motor carrier accounting. The quarterly report form will be reduced to a one-page format with only summary data elements. The annual report form will be reduced to only ten pages. Motor carriers which are not Instruction 27 carriers will not be required to complete the expense matrix schedule. [FN1] Only Class I motor carriers will be required to file the new report forms with the Commission. Class I contract motor carriers that derive 100 percent of their operating revenues from contract carriage shall be exempt from reporting. Nonreporting motor carriers shall notify the Commission when annual operating revenues reach the Class I level and when conditions change to subject them to Commission reporting.

FN1 Instruction 27 motor carriers (49 CFR 1207, Instruction 27) are those which derive 75 percent or more of their revenues from intercity transportation of general commodities.

The effect of these changes is to assure that financial information used regularly and frequently by the Commission are reported. This should result in significant cost savings and the reduction of over 535,000 burden hours annually in Commission reporting.

DATES: The rules are effective for the reporting year beginning January 1, 1987.

for further information contact: Andrew J. Lee, (232) 275-7510.

SUPPLEMENTARY INFORMATION: Additional information is contained in the Commission's decision. To purchase a copy of the full decision, write to T.S.

52 FR 10382-02

(Cite as: 52 FR 10382, *10382)

InfoSystems, Inc., Room 2229, Interstate Commerce Commission Building, Washington, DC 20423, or call 202-4357 (DC Metropolitan area) or toll free (000) 424-5403.

This action will not significantly affect either the **quality** of the human environment or energy **conservation**. This **rule** will not have a significant economic impact on a substantial number of small entities.

This revision will be submitted to the Office of Management and Budget (OMB) for review under section 3504(h) of the Paperwork Reduction Act of 1980 (44 U.S.C. Chapter 35). **Respondents** may direct comments to OMB by addressing them to the **Office** of Management and Budget, Office of **Information** and Regulatory Affairs, Attention: Desk Officer for Interstate Commerce Commission, Washington, DC 20503.

List of Subjects in 49 CFR Parts 1207 and 1249

Motor carriers, Uniform System of Accounts, Reporting and Recordkeeping Requirements.

Authority: 49 U.S.C. 11142 and 11145; and 5 U.S.C. 553.

Decided: March 13, 1907.

By the Commission, Chairman Gradison, Vice Chairman **Lambole**y, Commissioners Sterrett, Andre, and Simmons. **Chairman** Gradison concurred in the decision **and** **commented with a separate** expression. Vice Chairman **Lambole**y and Commissioner Simmons dissented with separate expressions.

Noreta R. McGee,

Secretary.

Parts 1207 and 1249 of Title 49 of the Code of Federal Regulations are amended **as follows:**

PART 1207--**CLASS I** AND CLASS II COMMON AND CONTRACT MOTOR **CARRIERS** OF PROPERTY

1. In 49 CFR **Part** 1207, the authority citations following Definitions; **Class I** and Class II Motor Carrier Instructions, numbers 2, 8, 15, 19, 22, 23, 28, 29, 30, 31, 35, and 36; Class I and Class II Motor Carrier Balance Sheet Account Explanations, numbers **117C**, 1321, 1449, **1520**, 2010, 2021, 2161, 2190, 2311, 2321, 2331, 2332, 2334, 2420, 2511, 4400, 4690, 4810, 4830, 4840, 4890, 7990, 8660, 8690, 8700, 8720, and **8400/9400** are removed, and the authority citation for Part 1207 is revised to read as follows:

Authority: 49 U.S.C. **10321**, 10751, 11142 and 11145; 5 U.S.C. 553.

2. The existing text of Part 1207 is designated as new s 1207.2 Uniform System of Accounts for **common and** contract motor carriers of property.

3. New s 1207.1 Uniform System of Accounts for motor carriers of property not prescribed, is added to Part 1207 as follows:

52 FR 10382-02
(Cit. as: 52 FR 10382, *10383)

***10383 s1207.1** Uniform System of Accounts for ~~common~~ and contract motor carriers of property not prescribed.

The Uniform System of Accounts for ~~motor carriers of property found at s~~ 1207.2, Uniform System of Accounts for common and contract ~~motor~~ carriers of ~~property~~, shall not be Prescribed for ~~regulated motor carriers~~. The Uniform System of Accounts is herein left in place for reference purposes ~~only~~ for motor carrier ~~accounting~~. Motor carriers ~~may follow~~ generally accepted accounting principle³ for all accounting ~~matters~~. For the reporting requirement³ for regulated motor ~~carriers~~, see ss 1249.1 and 1249.2 of Title 49, Code of Federal Regulations. This provision is effective beginning January 1, 1987 and thereafter.

PART 1249--REPORTS OF MOTOR CARRIERS

1. ~~The authority citation for Part 1249 is revised to read as follows:~~

Authority: 49 U.E.C. 10311, 10321, 11144, and 11145 and 5 U.S.C. 553.

2. Section 1249.1 is revised to read as follows:

s 1249.1 Annual and quarterly reports of ~~Class I~~ motor carriers of property, ~~Class I~~ motor carriers of household goods, and ~~Class I~~ dual authority carriers.

(a) All ~~Class I~~ motor carriers of property shall complete and file Motor Carrier Quarterly Report Form **QFR** (Form QFR) and Annual Report Form M (Form M) as required. This shall apply to ~~Class I~~ motor carriers of property, including household goods and dual authority carriers. ~~Class I~~ contract motor carriers of property that derive 100 percent of operating revenues from contract carriage shall be exempt from filing Form M. ~~Class II~~ and ~~Class III~~ motor carriers of property are not required to file Form M or Form QFR.

(b) Motor Carrier Annual Report Form M shall be used to file annual selected motor carrier data. Motor Carrier Quarterly Report Form **QFR** shall be used to file quarterly summary data. The quarterly accounting period shall end on March 31, June 30, September 30, and December 31. The quarterly report shall be filed within 30 days after the end of the reporting quarter. The annual report shall be filed on or before March 31 of the year following the year to which it relates. The annual accounting period shall be based either (1) on the 31st day of December in each year, or (2) an accounting year of thirteen 4-week periods ending at the close of the last seven days of each calendar year. A carrier electing to adopt an accounting year of thirteen 4-week periods shall file with the Commission a statement showing the day on which its accounting year will close. A subsequent change in the accounting period may not be made except by authority of the Commission.

(c) Form M and Form **QFR** shall be filed in duplicate to The Bureau of Accounts, Interstate Commerce Commission, Washington, DC 20423.

3. Section 1249.2 is revised to read as follows:

s 1249.2 **Classification** Of carrier³--motor carriers of ~~property~~, household goods carriers, and dual property carriers.

52 FR 10382-02

(Cite as: 52 FR 10382, *10383)

(a) **Common** and contract **motor** carriers of property subject to the Interstate Commerce Act are grouped into the following three classes:

Class I. Carriers having annual carrier operating revenues (including interstate and intrastate) of \$5 million or more after applying the revenue deflator formula shown in Note A.

Class II. Carriers having annual carrier operating revenues (including interstate and intrastate) of \$1 million but not more than \$5 million after applying the revenue deflator formula in Note A.

Class III. Carriers having annual carrier operating revenues (including interstate and intrastate) of less than \$1 million after applying the revenue deflator formula in Note A.

(b)(1) The class to which any carrier belongs shall be determined by annual carrier operating revenues after applying the revenue deflator formula in Note A. Upward and downward reclassification will be effected as of January 1 of the year immediately following the third consecutive year of revenue qualification.

(2) Any carrier which begins new operations by obtaining operating authority not previously held or extends its existing authority by obtaining additional operating rights shall be classified in accordance with a reasonable estimate of its annual carrier operating revenues after applying the revenue deflator formula shown in Note A.

(3) When a business combination occurs such as a merger, reorganization, or consolidation, the surviving carrier shall be reclassified effective as of January 1 of the next calendar year on the basis of the combined revenues for the year when the combination occurred after applying the revenue deflator formula shown in Note A.

(4) Carriers shall notify the Commission of any change in classification or when their annual operating revenues exceeds the Class I limit by writing to the Bureau of Accounts, Interstate Commerce Commission, Washington, DC 20423. In extraordinary extenuating circumstances, where the classification regulations will unduly burden the carrier, such as partial services, the carrier may request the Commission for a waiver from these regulations. This request shall be in writing specifying the conditions justifying the waiver. The Commission shall notify carriers of any change in classification.

(c) For classification purposes, the Commission shall publish in the Federal Register annually an index number which shall be used for adjusting gross annual operating revenues. The index number (deflator) is based on the Producer Price Index of Finished Goods and is used to eliminate the effects of inflation from the classification process. See Note A that follows:

Note A--Each carrier's operating revenues will be deflated annually using the Producers Price Index (PPI) of Finished Goods before comparing them with the dollar revenue limits prescribed in paragraph (a). The PPI is published monthly by the Bureau of Labor Statistics. The formula to be applied is as follows:

$$\begin{array}{ccccc} \text{Current Year's} & & \text{X} & & \text{1980 average PPI} & & = & & \text{Adjusted annual} \\ \text{annual} & & & & & & & & \text{operating} \\ \text{operating} & & & & & & & & \text{revenues.} \\ \text{revenues} & & & & & & & & \end{array}$$

Current year's
average PPI

52 FR 10382-02

(Cite as: 52 FR 10382, *10383)

s 1249.3 (Removed and Reserved]

4. Section 1249.3 is removed and reserved for future use.

5. Section 1249.5, Records, is added to read as follows:

s 1249.5 Records.

Books, records and carrier operating documents shall be retained as prescribed in 49 CFR Part 1220, Preservation of Records.

s 1249.12 [Removed]

6. Section 1249.12 is removed.

[FR Doc. 87-7094 Filed 3-31-87; 8:45 am]

BILLING CODE 7035-01-M

52 FR 10382-02, 1987 WT, 129434 (F.R.)

END OF DOCUMENT